



Legislation Details (With Text)

**File #:** 2010-1078      **Version:** 2

**Type:** Resolution      **Status:** Died due to expiration of legislative council session

**File created:** 11/4/2010      **In control:** Committee on Finance and Law

**On agenda:**      **Final action:**

**Enactment date:**      **Enactment #:**

**Effective date:**

**Title:** Resolution Authorizing the invitation to tender and purchase of a portion of the city of Pittsburgh (Commonwealth of Pennsylvania) taxable general obligation bonds, series C of 1998; authorizing the use of funds available in a restricted account to purchase bonds; authorizing Boenning & Scattergood, Inc. to act as dealer manager, Bondholder Communications Group, LLC to act as information and tender agent, and Pepper Hamilton LLP to act as tender counsel; authorizing the director of finance to determine which bonds to purchase;

**Sponsors:**

**Indexes:** BOND

**Code sections:**

**Attachments:** 1. 2010-1078.doc, 2. 2010-1078 VERSION 2.doc

Date	Ver.	Action By	Action	Result
11/30/2010	2	City Council	TABLED	Pass
11/22/2010	2	Standing Committees	AFFIRMATIVELY RECOMMENDED	Pass
11/9/2010	2	Standing Committees	Held in Committee	Pass
11/9/2010	2	Standing Committees	AMENDED	
11/4/2010	1	City Council	Read and referred	

Resolution Authorizing the invitation to tender and purchase of a portion of the city of Pittsburgh (Commonwealth of Pennsylvania) taxable general obligation bonds, series C of 1998; authorizing the use of funds available in a restricted account to purchase bonds; authorizing Boenning & Scattergood, Inc. to act as dealer manager, Bondholder Communications Group, LLC to act as information and tender agent, and Pepper Hamilton LLP to act as tender counsel; authorizing the director of finance to determine which bonds to purchase;

WHEREAS, the City of Pittsburgh, Pennsylvania (the “City”) issued the City of Pittsburgh (Commonwealth of Pennsylvania) Taxable General Obligation Pension Bonds, Series C of 1998 (**the “1998C Bonds”**) and its **General Obligation Bonds, Series A of 2002 (the “2002A Bonds”, collectively with the 1998C Bonds”**, the “Bonds”); and

WHEREAS, the City currently has a Restricted Bond Retirement Account (the “Restricted Account”) with a cash balance of approximately \$45,000,000, which funds are specifically restricted to the retirement of the City's debt; and

WHEREAS, due to current market conditions, the City has determined that it is in the City's best financial interest to purchase a portion of the Bonds **certain of the 1998C Bonds and to escrow certain of**

**the 2002A Bonds until their first optional redemption** with funds from the Restricted Account; and

WHEREAS, the City, through Bondholder Communications Group, LLC (the “Information and Tender Agent”) distributed an Invitation to Offer to Sell Bonds (the “Invitation”), which is attached as Exhibit “A,” to the holders of the **1998C** Bonds on October 14, 2010; and

WHEREAS, pursuant to the terms of the Invitation, holders of the **1998C** Bonds may offer to sell their respective **1998C** Bonds to the City at prices determined by a reverse auction process, and the City may within its discretion accept or reject any or all of the **1998C** Bonds offered for repurchase.

**WHEREAS, to effect the defeasance until optional redemption of the Series 2002A Bonds, United States Treasury Securities, State and Local Government Series (“SLGs”) will be purchased and held with the 2002A Bonds Paying Agent, The Bank of New York Mellon, N.A.,**

The City Council (the “Governing Body”) of the City hereby RESOLVES as follows:

**Section 1. Authorization to City Finance Director.**

The Finance Director of the City is authorized to review such tender offers **for the Series 1998C Bonds** as they are received **and also to review the defeasance candidates of the Series 2002A Bonds**, and with the advice of the professionals appointed by this Resolution to accept those tender offers which are financially advantageous to the City. **The Finance Director of the City is also authorized to direct the subscription for purchase of SLGs to effect the defeasance of the 2002A Bonds.**

**Section 2. Appointment of Professional Services.**

Boenning & Scattergood, Inc. is hereby appointed as Dealer Manager, Bondholder Communications Group, LLC is appointed as Information and Tender Agent, and Pepper Hamilton LLP is appointed as Tender Counsel. **The Bank of New York Mellon, N.A. is hereby appointed as Escrow Agent for the Series 2002A Bonds.**

**Section 3. Purchase of the Bonds.**

The City is authorized to purchase a portion of the Bonds using funds from the Restricted Account. The City shall purchase the Bonds pursuant to the procedures established by the Invitation.

**Section 4. General Authorization.**

The authorized officers of the City are permitted to perform all other acts necessary to effectuate the invitation to tender and purchase of the Bonds.

**Section 5. Inconsistent Resolutions.**

All resolutions or parts of resolutions inconsistent herewith are hereby repealed.

**Section 6. Severability.**

In case any one or more of the provisions of this Resolution shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution and this Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

**Section 7. Effective Date.**

This Resolution shall become effective on the earliest date permitted by the Act.

CERTIFICATE

I, the undersigned, City Clerk of the City of Pittsburgh, Pennsylvania, Allegheny County, Pennsylvania (the "City") hereby certify that: (a) attached to this Certificate is a true, correct and complete copy of a Resolution (the "Resolution") which was duly adopted at a meeting of the City Council of the City on \_\_\_\_, 2010, at which a quorum was present and acting throughout, and which was at all times open to the public; (b) the Resolution was duly recorded in the City's Resolution Book, and a summary of the Resolution was published as required by law in a newspaper of general circulation in the City; (c) the City met the advance notice requirements of the Pennsylvania Sunshine Act, 65 Pa. Cons. Stat §701 et seq. by advertising the date of the meeting and posting a notice of the meeting at the public meeting place of the City Council; and (d) the vote upon the Resolution was called and duly recorded upon the minutes and the members voted in the following manner:

	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Darlene Harris, President	_____	_____	_____	_____
Rev. Ricky Burgess	_____	_____	_____	_____
Patrick Dowd	_____	_____	_____	_____
Theresa Kail-Smith	_____	_____	_____	_____
Bruce Kraus	_____	_____	_____	_____
R. Daniel Lavelle	_____	_____	_____	_____
Natalia Rudiak	_____	_____	_____	_____
William Peduto	_____	_____	_____	_____
Doug Shields	_____	_____	_____	_____

WITNESS my hand and the seal of the City on \_\_\_\_\_, 2010

By: \_\_\_\_\_  
City Clerk

[SEAL]

EXHIBIT A

INVITATION TO OFFER TO SELL BONDS

Document comparison by Workshare Professional on Monday, November 08, 2010 12:38:44 PM

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Description	#13228377v3<Active> - Resolution - Pittsburgh
Rendering set	PH Standard

Legend:
<u>Insertion</u>
<u>Deletion</u>

Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

<b>Statistics:</b>	
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Deletions	3
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Moved to	0
Style change	0
Format changed	0
Total changes	16